



# COUNTY OF LOS ANGELES DEPARTMENT OF HUMAN RESOURCES

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*To enrich lives through effective and caring service*

**MICHAEL J. HENRY**  
DIRECTOR OF PERSONNEL

January 27, 2004

To: All Department Heads

From: Michael J. Henry  
Director of Personnel

Subject: **NEW BENEFITS SYSTEM FOR 2004**

In my memo dated January 8, 2004, I reported that the new benefits administration system with Mellon Financial Corporation (Mellon) was implemented on January 1, 2004 but not fully operational at that time. We are continuing to work closely with Mellon on any outstanding transitional issues.

It has come to my attention that some employees submitting claims for Dependent Care Spending Accounts in early January have received Explanation of Benefits (EOBs) that state: PND. NO AVAILABLE FUNDS FOR PAYMENT. THE CLAIM WILL BE CONSIDERED AT THE NEXT OPPORTUNITY. This has been interpreted by some employees as a rejection of their claims. This is not the case, and the letters are merely an acknowledgement that the claims have been received and will be in a pending status until sufficient funds are received. Unlike our previous benefits administrator, Mellon now processes Flexible Spending Account (FSA) claims on a flow basis, daily, instead of twice monthly. It should be noted that Dependent Care claims cannot be paid prior to receipt of funds from the County. They are pended until the funds become available and automatically paid out at that time. January claims in a pended status are being paid this week.

The new benefits administration system is more fully automated than our previous system. While automation provides better opportunities for employees to review and manage their benefits, unfamiliarity with the system may cause certain things to appear problematic that are, in reality, simply different from the previous system. We anticipate and welcome questions while employees and departmental personnel officers are becoming educated about the new benefits system. My Employee Benefits Hotline is available between the hours of 9:00 a.m. and 4:00 p.m. to answer employee benefit questions at (213) 388-9982. Questions specifically related to Health and Dependent Care Spending Accounts, including account balances, can be directed to the Flexible Spending Account Administrator (866) 300-2303.

Please contact me, or your staff may call Marian Hall at (213) 738-2255, if you have any questions.

MJH:TJH

MH:EFB

c: Each Supervisor  
Administrative Deputies  
Personnel Officers